

AMENDED IN ASSEMBLY APRIL 14, 2016

AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2200

Introduced by Assembly Member Thurmond

February 18, 2016

An act to add Chapter 12 (commencing with Section 51520) to Part 3 of Division 31 of the Health and Safety Code, relating to housing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2200, as amended, Thurmond. School Employee Housing Assistance Grant Program.

Existing law requires the California Housing Finance Agency to administer various housing programs.

This bill would require the California Housing Finance Agency to administer a ~~grant program, as specified,~~ *program* to provide ~~development financing assistance~~ *assistance, as specified*, to a qualified school district, as defined, *and to a qualified developer, as defined*, for the creation of affordable rental housing for school employees, including teachers. *The bill would require the State Department of Education to certify that a school district seeking a grant meets the definition of qualified school district.* The bill would transfer \$100,000,000 from the General Fund to the School Employee Housing Assistance ~~Grant~~ Fund, which would be created by this bill, and would continuously appropriate those moneys to the agency for the purposes described above *and to reimburse the agency and the State Department of Education for costs incurred in the administration of the program.* The bill would require

~~a qualified school district to apply for grants, as provided, and to submit specified information to the agency: qualified school districts and qualified developers to apply for the financing assistance, as provided.~~

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Chapter 12 (commencing with Section 51520) is added to Part 3 of Division 31 of the Health and Safety Code, to read:

CHAPTER 12. SCHOOL EMPLOYEE HOUSING ASSISTANCE
GRANT PROGRAM

51520. For purposes of this chapter, ~~a “qualified~~ *all of the following shall apply:*

(a) “Affordable rental housing” means housing that serves persons and families of low or moderate income as defined by Section 50093 of the Health and Safety Code.

(b) “Qualified developer” means a developer that has partnered with a qualified school district to create affordable rental housing for school district employees, including teachers.

(c) “Qualified school district” means a school district that satisfies all of the following:

~~(a)~~
(1) Has acquired and designated surplus land from any of the following:

~~(1)~~
(A) A school district.

~~(2)~~
(B) A special district.

~~(3)~~
(C) A city.

~~(b)~~
(2) Has a high average cost for the recruitment of teachers.

~~(c)~~
(3) Has a low retention rate.

~~(d)~~

1 (4) Has 60 percent of its students participating in the National
2 School Lunch Program.

3 51521. (a) The agency shall administer a ~~grant~~ program to
4 provide ~~development~~ financing assistance to ~~qualified school~~
5 ~~districts~~ for the creation of affordable rental housing for school
6 district employees, including teachers. ~~The~~ *The financing*
7 *assistance shall be in both of the following forms:*

8 (1) *Predevelopment grants to qualified school districts.*

9 (2) *Loans to qualified developers.*

10 (b) *The agency shall do all of the following:*

11 (1) Be responsible for overseeing the ~~grant~~ program.

12 (2) Award *predevelopment* grants to qualified school districts.

13 ~~(3) Determine the predevelopment grant amount and the~~
14 ~~development grant amount for each qualified school district~~
15 ~~pursuant to Section 51523.~~

16 (3) *Make loans to qualified developers.*

17 (4) Publish deadlines and written procedures for a ~~qualified~~
18 ~~school district~~ *qualified school districts and qualified developers*
19 *to apply for grants: financing assistance.*

20 ~~(5) Provide technical assistance to a qualified school district~~
21 ~~that is not eligible to receive a development grant in applying for~~
22 ~~additional public funds.~~

23 ~~(b)~~

24 (c) A qualified school district seeking a grant shall do both of
25 the following:

26 (1) Apply for a *predevelopment* grant in the form and manner
27 prescribed by the agency.

28 (2) Submit ~~both of the following to the agency: the certification~~
29 ~~provided by the State Department of Education pursuant to Section~~
30 ~~51521.5 to the agency.~~

31 ~~(A) An eligible basis certification pursuant to Section 10322 of~~
32 ~~Division 17 of Title 4 of the California Code of Regulations, as it~~
33 ~~read on January 1, 2017.~~

34 ~~(B) An itemized list of funds from state and federal programs~~
35 ~~and private funds used to cover projects costs.~~

36 (d) *A qualified developer seeking a loan shall apply for a loan*
37 *in the form and manner prescribed by the agency.*

38 51521.5. (a) A school district seeking a *predevelopment* grant
39 *shall apply to the State Department of Education, in the form and*

1 manner prescribed by the department, for certification as a
2 qualified school district.

3 (b) The State Department of Education shall certify that a school
4 district seeking a predevelopment grant meets the definition of
5 qualified school district as defined by Section 51520 and provide
6 the qualified school district with the certification.

7 51522. (a) There is hereby transferred from the General Fund
8 to the School Employee Housing Assistance-Grant Fund, which
9 is hereby created in the State Treasury, the sum of one hundred
10 million dollars (\$100,000,000).

11 (b) ~~(1)~~ Notwithstanding Section 13340 of the Government
12 Code, all moneys in the fund shall be continuously appropriated
13 to the agency for ~~the purposes of this chapter~~. all of the following
14 purposes:

15 (1) To reimburse the agency for any administrative costs
16 incurred in the administration of this chapter. This amount shall
17 not exceed 5 percent of the amount appropriated to the agency
18 pursuant to this section.

19 (2) To reimburse the State Department of Education for the
20 costs of certifying qualified school districts pursuant to Section
21 51521.5. This amount shall not exceed ____ percent of the amount
22 appropriated to the agency pursuant to this section.

23 (3) For making predevelopment grants to qualified school
24 districts. This amount shall not exceed 5 percent of the amount
25 appropriated to the agency pursuant to this section.

26 (4) For making loans to qualified developers.

27 ~~(2) The agency shall use 5 percent of the moneys appropriated~~
28 ~~to it pursuant to this section for predevelopment grants.~~

29 51523. (a) The agency shall determine both of the following
30 for each qualified school district to be awarded a grant:

31 (1) (A) The predevelopment grant amount, which shall be equal
32 to the predevelopment costs of the project excluding any costs
33 related to the acquisition of the land.

34 (B) In order to be eligible to receive a predevelopment grant,
35 the qualified school district must show a measurable degree of
36 incapacity to fund the predevelopment project costs.

37 (2) The development grant amount, which shall be the difference
38 between the eligible basis as specified in the eligible basis
39 certification, excluding any costs related to the acquisition of the
40 land and any predevelopment project costs, and the total amount

1 of any public and private funds received for the development of
2 the project.

3 (b) ~~In order to be eligible to receive a development grant, the~~
4 ~~qualified school district must show that the project is not eligible~~
5 ~~for additional public funds as described in its eligible basis~~
6 ~~certification and that the project is subject to a project labor~~
7 ~~agreement and prevailing wage requirements.~~

8 51523. (a) *The agency shall make loans to qualified developers*
9 *using a project selection process established by the agency that*
10 *meets all of the following requirements:*

11 (1) *To the extent feasible, ensures a reasonable geographic*
12 *distribution of funds.*

13 (2) *Requires applications for projects to meet minimum*
14 *threshold requirements, including, but not limited to, all of the*
15 *following:*

16 (A) *The proposed project is located within reasonable proximity*
17 *to public transportation and services.*

18 (B) *Development costs for the proposed project are reasonable*
19 *compared to costs of comparable projects in the area.*

20 (C) *The proposed project is be feasible.*

21 (3) *The proposed project leverages other funds where they are*
22 *available.*

23 (b) (1) *Loans made pursuant to this section shall be for a term*
24 *of not less than 55 years.*

25 (2) *Principal and accumulated interest is due and payable upon*
26 *completion of the term of the loan. The loan shall bear simple*
27 *interest at the rate of 3 percent per annum on the unpaid principal*
28 *balance.*

29 (3) *Any moneys that the agency receives in repayment of the*
30 *loans, including interest, shall be deposited in the School Employee*
31 *Housing Assistance Fund. These moneys shall be used for the*
32 *purposes of this chapter.*

33 (c) *Each project shall be eligible for a loan not to exceed ten*
34 *million dollars (\$10,000,000).*